



Financial Statements of

**WASCANA CENTRE
AUTHORITY**

Year ended March 31, 2003

WASCANA CENTRE AUTHORITY

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March 31, 2003

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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited the statement of financial position of Wascana Centre Authority as at March 31, 2003, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting required by *The Wascana Centre Act* as disclosed in note 2 to the financial statements.

KPMG LLP

Chartered Accountants

Regina, Canada

June 5, 2003



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WASCANA CENTRE AUTHORITY

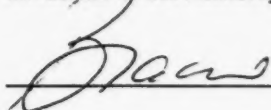
Statement of Financial Position

March 31, 2003, with comparative figures for 2002

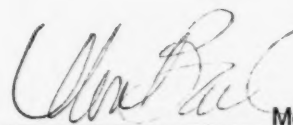
	2003	2002
Assets		
Current:		
Cash and cash equivalents	\$ 847,968	\$ 736,734
Accounts receivable	124,252	55,694
Inventory	3,707	3,282
Prepaid expenses	23,957	14,847
	<u>999,884</u>	<u>810,557</u>
Property, plant and equipment (note 3)	2,667,011	2,735,979
	<u>\$ 3,666,895</u>	<u>\$ 3,546,536</u>
Cash held in trust	\$ 100,788	\$ 100,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 286,478	\$ 307,790
Early retirement benefits payable (note 4)	9,800	15,050
Deferred revenue	129,708	10,205
	<u>425,986</u>	<u>333,045</u>
Early retirement benefits payable (note 4)	18,700	28,500
Deferred contributions (note 5)	135,534	90,472
Net assets:		
Investment in property, plant and equipment (note 6)	2,667,011	2,735,979
Internally restricted (note 7)	419,664	358,540
	<u>3,086,675</u>	<u>3,094,519</u>
Commitments and contingencies (note 9)		
	<u>\$ 3,666,895</u>	<u>\$ 3,546,536</u>
Trust liability	\$ 100,788	\$ 100,000

See accompanying notes to financial statements.

On behalf of the Authority:



Member



Member

WASCANA CENTRE AUTHORITY

Statement of Operations

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Revenue:		
Government of Saskatchewan		
Statutory grant	\$ 756,766	\$ 780,319
Maintenance grant	1,840,450	1,840,000
City of Regina		
Statutory grant	412,781	425,628
Maintenance grant	790,000	790,000
University of Regina		
Statutory grant	206,391	212,813
Maintenance grant	283,000	283,000
Other operating revenue (Schedule 1)	456,437	588,322
	<u>4,745,825</u>	<u>4,920,082</u>
Expenses:		
Landscape construction (Schedule 2)	471,605	544,428
Landscape maintenance (Schedule 3)	946,690	1,103,560
Service maintenance (Schedule 3)	744,499	737,983
Indirect costs (Schedule 3)	1,158,299	1,155,555
Specialized services (Schedule 4)	1,184,740	1,141,578
Amortization	238,005	370,935
Other expenses (note 7)	9,831	608
	<u>4,753,669</u>	<u>5,054,039</u>
Excess of expenses over revenue	\$ (7,844)	\$ (134,565)

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Changes in Net Assets

Year ended March 31, 2003, with comparative figures for 2002

	Total				
	Investment in Property, Plant and Equipment	Internally Restricted	Unrestricted	2003	2002
Balance, beginning of year	\$ 2,735,979	\$ 358,540	\$ -	\$ 3,094,519	\$ 3,229,084
Excess of revenue over expenses (expenses over revenue)	(238,005)	-	230,161	(7,844)	(134,565)
Net change in investment in property, plant and equipment (note 6)	169,037	-	(169,037)	-	-
Transfer to unrestricted net assets (note 7)	-	(9,831)	9,831	-	-
Internally imposed restrictions (note 7)	-	70,955	(70,955)	-	-
Balance, end of year	\$ 2,667,011	\$ 419,664	\$ -	\$ 3,086,675	\$ 3,094,519

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Cash Flows

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operating activities:		
Excess of expenses over revenue	\$ (7,844)	\$ (134,565)
Items not involving cash:		
Amortization	238,005	370,935
Gain on sale of property, plant and equipment	(31,645)	(40,699)
Increase in accounts receivable	(68,558)	(1,807)
Decrease (increase) in inventory	(425)	440
Decrease (increase) in prepaid expenses	(9,110)	6,459
Increase (decrease) in accounts payable	(21,312)	57,761
Decrease in early retirement benefits payable	(15,050)	(16,800)
Increase in deferred revenue	119,503	7,770
Increase in deferred contributions	45,062	2,239
	248,626	251,733
Financing activities:		
Purchase of property, plant and equipment (note 6)	(169,855)	(249,923)
Proceeds on sale of property, plant and equipment	32,463	48,806
	(137,392)	(201,117)
Increase in cash and cash equivalents	111,234	50,616
Cash and cash equivalents, beginning of year	736,734	686,118
Cash and cash equivalents, end of year	\$ 847,968	\$ 736,734
Cash and cash equivalents comprised of:		
Bank overdraft	(51,244)	(62,895)
Short term investments	899,212	799,629
	\$ 847,968	\$ 736,734
Supplementary information:		
Interest paid	\$ 532	\$ 674

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

1. Description of operations:

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is exempt from income taxes.

The Authority is economically dependent upon the Participating Parties and is financed as follows:

Statutory grant:

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University and are based on a mill-rate formula, providing the necessary funding for the administrative and general operating expenses of the Authority, as well as capital expenditures on lands located within the Centre, the title for which is held in the name of the Authority. The Act also provides that no less than \$375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority-owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

Operating grants:

Beyond the statutory contribution, operating grants are also provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act, and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Authority, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles except for accounting for landscape construction as described below.

Revenue recognition:

The Authority follows the deferral method of accounting for contributions which include government grants and donations. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from fees, contracts and sales of goods and services is recognized when the services are provided or the goods are sold.

Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdraft and term deposits with a maturity date of 90 days or less. Interest charged on the bank overdraft is prime.

Property, plant and equipment:

Purchased assets are recorded at cost. Property, plant and equipment originally contributed by the Participating Parties at incorporation have been recorded at a nominal value of \$1. All landscape construction costs and normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on the straight-line basis over the following periods:

Buildings	20 years
Equipment	5 - 10 years
Vehicles	5 - 8 years
Office furniture	10 years

Landscape construction:

In accordance with the Act, specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of a Participating Party are expensed.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

2. Significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Property, plant and equipment:

	2003		2002	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets from Participating Parties	\$ 1	\$ -	\$ 1	\$ 1
Land	1,669,895	-	1,669,895	1,669,895
Buildings	3,885,468	3,658,306	227,162	272,383
Vehicles	558,143	443,710	114,433	135,834
Office furniture	243,159	179,433	63,726	55,684
Equipment	2,025,359	1,433,565	591,794	602,182
	<u>\$ 8,382,025</u>	<u>\$ 5,715,014</u>	<u>\$2,667,011</u>	<u>\$ 2,735,979</u>

4. Early retirement benefits payable:

Amounts owing under an early retirement program are as follows:

	2003	2002
Bridge benefits payable to early retirees until year 2008	\$ 28,500	\$ 43,550
Less: current portion	(9,800)	(15,050)
Long-term portion	<u>\$ 18,700</u>	<u>\$ 28,500</u>

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

4. Early retirement benefits payable (cont'd):

Estimated payments are as follows:

2004	\$ 9,800
2005	5,250
2006	4,200
2007	4,200
2008	4,200
Thereafter	850

5. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent statutory grants for landscape construction as defined in the Act and described in note 1.

	2003	2002
Balance, beginning of year	\$ 90,472	\$ 88,233
Add amounts received during the year	516,667	546,667
Less amounts recognized as revenue during the year	(471,605)	(544,428)
Balance, end of year	\$ 135,534	\$ 90,472

6. Investment in property, plant and equipment:

Investment in property, plant and equipment is calculated as follows:

	2003	2002
Property, plant, and equipment, beginning of year	\$ 2,735,979	\$ 2,865,098
Purchase of property, plant and equipment	169,855	249,923
Net book value of property, plant and equipment disposed	(818)	(8,107)
Amortization of property, plant and equipment	(238,005)	(370,935)
Property, plant and equipment, end of year	\$ 2,667,011	\$ 2,735,979

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

6. Investment in property, plant and equipment (cont'd):

Change in investment in property, plant and equipment is calculated as follows:

	2003	2002
Excess of expenses over revenue:		
Amortization of property, plant and equipment	\$ (238,005)	\$ (370,935)
	<u>\$ (238,005)</u>	<u>\$ (370,935)</u>
Net change in investment in property, plant and equipment:		
Purchase of property, plant and equipment	\$ 169,855	\$ 249,923
Net book value of property, plant and equipment disposed	(818)	(8,107)
	<u>\$ 169,037</u>	<u>\$ 241,816</u>

7. Internally restricted net assets:

The Authority has internally restricted amounts for expenditures relating to special administrative and operating requirements and other projects.

The internally restricted amounts are not available for other purposes without approval by the Authority. During the year, \$9,831 (2002 - \$608) was transferred to unrestricted net assets and \$70,955 (2002 - \$4,838 transferred to) was transferred from unrestricted net assets.

	2003	2002
Balance, beginning of year	\$ 358,540	\$ 363,986
Transfers to unrestricted net assets:		
Interest and penalties (CCRA)	(9,831)	-
Wascana Lake deepening study	-	(608)
Transfer from (to) unrestricted net assets	70,955	(4,838)
Balance, end of year	<u>\$ 419,664</u>	<u>\$ 358,540</u>

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

8. Related-party transactions:

Included in these financial statements are expenditures resulting from routine operating transactions with various agencies and departments of the Participating Parties.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Authority had the following transactions with related parties:

	2003	2002
Expenses:		
Landscape construction	\$ -	\$ 3,562
Landscape maintenance	140	171
Service maintenance	175,424	188,562
Indirect costs	105,160	55,354
Specialized services	94,834	81,301
Amounts not specifically disclosed in the balance sheet:		
Accounts receivable	\$ 44,489	\$ 25,587
Prepaid expenses	13,658	-
Accounts payable	58,020	48,839
Deferred revenue	129,708	10,205

During the year, the Authority incurred expenses of \$254,081 (2002 - \$220,726) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

9. Commitments and contingencies:

The Authority is committed to leases for office equipment requiring minimum lease payments of \$9,006 for each of the next two years.

The Authority has been named as a Defendant in certain claims. In the opinion of management, these matters will not materially impact the Authority's present or future financial operations, and no provision has been made for them in the accounts. Should any loss result from the resolution of these claims, they will be accounted for in the year of settlement.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2003

10. Fair value of financial assets and financial liabilities:

The fair value of the Authority's cash and cash equivalents, accounts receivable, accounts payable, and early retirement benefits payable approximate their carrying amounts.



Supplementary Financial Information of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2003



KPMG LLP
Chartered Accountants

2000 - 1881 Scarth Street
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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited and reported separately herein on the financial statements of Wascana Centre Authority as at and for the year ending March 31, 2003.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The current year's supplementary information included in Schedules 1-4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Regina, Canada

June 5, 2003



WASCANA CENTRE AUTHORITY

Schedule 1 - Other Operating Revenue

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Centenary Grant Program	\$ 141,650	\$ 141,667
Centennial Summer Student Employment Program	91,000	176,000
Service maintenance contracts	82,700	82,700
Rent	32,528	30,578
Gain on sale of property, plant and equipment	31,645	40,699
Gift shop revenue (net of cost of goods sold of \$69,142; 2002 - \$64,095)	23,281	22,096
Interest	22,063	33,856
Miscellaneous	17,419	8,733
Ferry boat revenue	6,731	4,383
Other grant revenue	4,297	10,537
Parking ticket revenue	3,123	7,081
City of Regina Wascana Hill Roadway grant	-	29,992
	\$ 456,437	\$ 588,322

Schedule 2 - Landscape Construction

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Trafalgar Overlook Phase III	\$ 176,114	\$ 226,264
Wascana Place east plaza	127,877	62,896
Development salaries	104,025	97,580
Trails and pathways	47,435	-
Spruce Island Overlook	8,360	62,261
Master plan program	4,404	9,054
Wascana Hill Roadway	2,187	59,984
Speakers' corner improvements	1,203	-
Repair service facilities	-	13,472
Wascana Drive pathway	-	12,917
	\$ 471,605	\$ 544,428

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Landscape Maintenance		
Salaries:		
Irrigated turf	\$ 395,966	\$ 454,862
Trees and shrubs	190,439	230,102
Flowers, bedding plants, nursery	67,894	81,691
Unimproved	45,196	50,359
Playing fields	39,696	48,940
Picnic sites, park furniture, amenities	34,972	46,134
	774,163	912,088
Materials	172,527	191,472
	\$ 946,690	\$1,103,560
Service Maintenance		
Salaries:		
Snow removal	\$ 160,615	\$ 115,798
Survey and engineering	46,900	46,596
Roads, lighting and signs	35,190	46,104
Buildings and washrooms	28,511	41,438
Striping and sweeping	5,326	-
	276,542	249,934
Utilities	190,144	184,264
Building repair and maintenance - materials	133,895	155,426
Supplies and materials	96,511	111,831
Insurance	47,407	36,528
	467,957	488,049
	\$ 744,499	\$ 737,983

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
(Continued)		
Indirect Costs		
Equipment Maintenance:		
Salaries	\$ 109,154	\$ 109,140
Miscellaneous repairs and materials	94,301	89,931
Gas, oil and grease	91,574	80,563
Vehicle and equipment rental, registration and insurance	61,212	56,410
Cost recoveries	(34,899)	(32,403)
	321,342	303,641
Employee benefits (net of cost recoveries of \$66,887; 2002 - \$65,365)	647,783	661,481
Supervisory salaries	189,174	190,433
	<u>\$ 1,158,299</u>	<u>\$ 1,155,555</u>

WASCANA CENTRE AUTHORITY

Schedule 4 - Specialized Services

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Greenhouse:		
Salaries	\$ 116,824	\$ 95,926
Materials	52,863	54,490
	169,687	150,416
Police:		
Salaries	153,105	168,726
Vehicle operation and rental	23,938	24,259
Uniforms, radios and other	7,974	5,652
Parking enforcement and security services	195	1,305
	185,212	199,942
Public relations and gift shop operations:		
Salaries	166,833	190,760
Information and committee programs	48,002	44,912
Art gallery and gift shop expense	17,769	15,984
Photography and printing	3,180	9,698
Display ponds	2,494	3,518
	238,278	264,872
Administration:		
Salaries	401,404	376,349
Regulatory and consulting	39,656	16,161
Data processing	32,376	24,961
Training and travel	32,230	11,190
Telephone	25,477	31,592
Photocopying and supplies	24,404	24,522
Audit	10,918	14,050
Honoraria and association fees	10,016	9,779
Postage and courier services	7,291	8,421
Legal expenses	3,931	3,998
Reference books and subscriptions	3,860	5,325
	591,563	526,348
	\$ 1,184,740	\$1,141,578